

CLASSIFIED MESSAGE

DATE : 347 MRL/B
31 AUG 56

S-E-C-R-E-T

ROUTING	
1	CEE/W
2	CEE
3	
4	
5	
6	

TO : DIRECTOR

FROM : BERLIN

ACTION: C/EE 1-2

INFO : COP 3, I&R 4, C/PP 5, IG 6, S/C 7-8

BSLN 6604 (IN 23625)

2256Z 31 AUG 56

PRIORITY

PRECEDENCE

TO (PRIORITY) FRAN
(ATTN) []INFO (PRIORITY) BONM
DIR

CITE BSLN T: []

RYBAT TPOASIS CAHONEYCOMB

1. 31 AUG [] ADVISED BY ROBERT BRANDIN, CHIEF ECONOMIC AFFAIRS USBER, THAT TELEGRAF HAS APPLIED FOR DM 600,000 LOAN FROM COUNTERPART FUNDS. ACCORDING [] [], JOINT U.S./GERMAN INVESTIGATION COMMITTEE SCHEDULED CONSIDER APPLICATION 31 AUG BUT ON ADVICE [] [] BRANDIN HAD FINAL ACTION POSTPONED PLEADING USBER NEED FURTHER CONSIDERATION VARIOUS ASPECTS. BRANDIN ADVISED [] [] THIS FIRST INSTANCE COUNTERPART FUNDS LOAN APPLICATION DIRECT FOR NEWSPAPER ALTHO SOME TIME AGO ULSTEIN VERLAG RECEIVED SUCH A LOAN FOR ITS PRINTING COMPLEX AS A WHOLE.

2. ON BASIS ABOVE INFO [] [] CONTACTED BRANDIN AND REQUESTED THAT HE STALL ALL ACTION THIS LOAN APPLICATION UNTIL FULL DISCUSSION FACTORS CONSIDERED BY US TO RAISE SERIOUS QUESTION ADVISABILITY TENDERING ANY SUCH ASSISTANCE TO TELEGRAF. BRANDIN STATED HE HAD DEFERRED DECISION BUT RECEIVING CONSIDERABLE PRESSURE FROM OTHER MEMBERS COMMITTEE TAKE IMMEDIATE ACTION. HE ALSO COMMENTED THAT COMMITTEE PRESENTLY CONSIDERING AT SAME TIME REQUEST FOR COUNTERPART LOAN FOR AKSEL SPRINGER, LARGEST WEST GERMAN PUBLISHER. BRANDIN TO ARRANGE MEETING WITH GUFLE TO DISCUSS PROBLEM SOONEST.

DECLASSIFIED AND RELEASED BY S-E-C-R-E-T

CENTRAL INTELLIGENCE AGENCY COPY OF THIS MESSAGE

Copy No. 1/5

SOURCES/METHODS/EXEMPTION 3B2B

NAZI WAR CRIMES DISCLOSURE ACT

DATE 2007

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3. WE UNALTERABLY OPPOSED, IF CAN POSSIBLY BE PREVENTED, ANY DIRECT OR INDIRECT U.S. AID OR ASSISTANCE TO TELEGRAF OF ANY KIND IN VIEW STRONG EVIDENCE WE POSSESS THAT CAMLET DEFRAUDED KUBARK OF SUBSTANTIAL SUMS OF MONEY, CONSERVATIVELY ESTIMATED AS POSSIBLY RUNNING AS HIGH AS ONE MILLION DM AND IN ADDITION GUILTY OF SUBSTANTIAL FRAUD IN CONNECTION WITH FUNDS MADE AVAILABLE TO HIM BY USIS. COUNTERPART LOANS HIGHLY DESIRABLE TO ANY RECIPIENT SINCE INTEREST RATE NOT MUCH MORE THAN HALF CURRENT GERMAN COMMERCIAL BANK RATE. CONSIDER IT ENTIRELY POSSIBLE TELEGRAF IN STRAIGHTENED FINANCIAL CIRCUMSTANCES WHERE UNABLE FLOAT COMMERCIAL BANK LOAN OF ANY SIZE AND DO NOT BELIEVE U.S. GOVT SHOULD HAVE ANY PART IN TAKING CAMLET OFF FINANCIAL HOOK. FURTHER FACTOR IN OUR OPINION MILITATING AGAINST ANY SUCH ASSISTANCE TO TELEGRAF IS FACT THAT IT HAS IN RECENT MONTHS ON SEVERAL OCCASIONS FOLLOWED AN UNNECESSARILY SNIDE EDITORIAL LINE WHICH IS HARDLY CONSISTENT WITH AIMS AND OBJECTIVES OF BASIC U.S. FOREIGN POLICY IN GERMANY.

4. WOULD APPRECIATE BONN ATTEMPTING SECURE DISCREETLY FROM EMBASSY ALL ADDITIONAL AVAILABLE INFO CONCERNING PROPOSED LOAN. WILL ADVISE FURTHER DETAILS AS PROCURED HERE. BELIEVE KUBARK SHOULD DISCREETLY PROTEST TELEGRAF RECEIVING COUNTERPART LOAN. REQUEST ADDRESSEES COMMENTS SOONEST.

END OF MESSAGE

CABLE SECRETARIAT COMMENT: [] , EE, NOTIFIED OF RECEIPT OF THIS CABLE AT 1950 31 AUG 56.

S-E-C-R-E-T

IT IS FORBIDDEN TO MAKE A COPY OF THIS MESSAGE